

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

Development Program

For

North Nicollet Mall

Development District No. 60

May 9, 2003

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Exhibit 1	North Nicollet Mall Development District Boundary Map.
Exhibit 2	<u>Development Objectives for North Nicollet Mall</u> , Approved by Minneapolis City Council September 29, 2000.
Exhibit 3	Primary Zoning Districts, Minneapolis Zoning Plate 19.

**Development Program for
North Nicollet Mall Development District No. 60
May 9, 2003**

Section 1. Definitions

The terms defined below shall, for purposes of this Development Program, have the meanings herein specified, unless the context otherwise specifically requires.

"Agency" means Minneapolis Community Development Agency or its successors or assigns.

"Board of Commissioners" means the thirteen (13) members of the Minneapolis City Council, also members of the Board of Commissioners of the Agency.

"Commissioner" means member of the Board of Commissioners of the Agency.

"Chapter 422" means Chapter 422 of the Minneapolis Code of Ordinances which established the Agency and authorizing its powers and duties as initially approved by the Council effective June 1, 1981 and as amended from time to time.

"City" means any home rule charter or statutory city. In this case, the City of Minneapolis.

"Comprehensive Plan" means the City's Comprehensive Plan which contains the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City.

"Council" means the City Council of the City of Minneapolis, also referred to as the governing body. (See "Governing Body" below).

"County" means the County of Hennepin, Minnesota.

"Development District Act" means the statutory provision of Minnesota Statutes, Section 469.124 through 469.134, as amended and supplemented.

"Development District" means Development District No. 60 in the City, also referred to as the North Nicollet Mall Development District, that is created and established hereto pursuant to, and in accordance with, the Development District Act, and is geographically described in Exhibit 1 of the Development Program.

"Development Program" means this Development Program for Development District No. 60 submitted for approval by the Council on (date) and as it shall be approved and as it shall be modified. As defined in Minnesota Statutes, Section 469.125, Subd. 3, a development program is a statement of objectives of the City for improvement of a development district which contains a complete statement as to the public facilities to be constructed within the district, the open space to be created, the environmental controls to be applied, the proposed reuse of private property and the proposed operations of the district after the capital improvements within the district have been completed.

"Governing Body" means the duly elected Council as defined in Minnesota Statutes Section 469.125, Subd. 8.

"Program" means a development program which is a statement of the objectives of the City for improvement of the Development District pursuant to Minnesota Statutes, Section 469.125, Subd. 3.

"State" means the State of Minnesota.

Section 2. Statement and Finding of Public Purpose

The Agency and the Council determine that there is a need for development and redevelopment within the corporate limits of the City of Minneapolis to provide employment opportunities, to improve the tax base, and to improve the general economy of the State. It is found that the area within the North Nicollet Mall Development District No. 60 is potentially more useful and valuable than is being realized under existing uses, is less productive than is possible under this Development Program, and therefore, is not contributing to the tax base to its full potential.

Therefore, the Agency has determined to exercise its authority to develop a Program for improving existing conditions within this Development District and to provide impetus for private development, to maintain and increase employment, to better utilize existing potential and to provide other facilities as are outlined in the Development Program adopted by the City.

"Development Objectives" for North Nicollet Mall were jointly prepared by the Minneapolis Planning Department and the Minneapolis Community Development

Agency and approved by the Minneapolis City Council on September 29, 2000 to formulate a baseline set of criteria by which current and future development activities in this Development District should be directed and carried out. (See Exhibit 2). Setting these parameters is intended to enhance the value and function of the Development District and to define its role in relation to the city at large. For purposes of this Development Program, the North Nicollet Mall Development Objectives (Exhibit 2) should be viewed as the preliminary goals to be used in evaluating development proposals with the intent of promoting creative problem solving and fostering enhancement of the public statement of objectives outlined in this Development Program.

These Development Objectives are intended to establish the parameters within which decisions will be made regarding both public and private investments in the project area.

The Agency and the Council find that the welfare of the City as well as the State of Minnesota require active promotion, attraction, encouragement and development of economically sound industry and commerce to carry out its stated public purpose objectives.

Section 3. Statutory Authority

The Agency and Council have determined that it is desirable and in the public interest to establish, develop, and administer a Development Program for the North Nicollet Mall Development District. The Development Program will be implemented, pursuant to the provisions of Minnesota Statutes Section 469.124 through 469.134, as amended, Chapter 595 of Laws of 1980, ("Chapter 595"), and by Chapter 422 as defined herein.

Section 4. Project Area Status Report

Located within the Downtown West and North Loop Neighborhoods of Minneapolis, the North Nicollet Mall Development District is comprised of all or some portions of ten different city blocks located at or near the northerly end of Nicollet Mall. The Development District is bounded on the north by Washington Avenue, on the east by Marquette Avenue, on the south by South 5th Street, and on the west by the eastern border of the Warehouse Historic District, such border running generally in a northeast-southwest direction (roughly mid-block between Hennepin Avenue and First Avenue North). There is an additional block bounded by 2nd Street North and Washington Avenue, Hennepin Avenue and 1st Avenue North within the district. Within the Development District there is a subset of four blocks that are considered to be the primary sites for potential new development. These four blocks are the old Nicollet Hotel Block, the Library Block, the Ritz Block, and the Powers Block. A full description of the characteristics of each of these blocks is given in the Development Objectives for North Nicollet Mall, attached as Exhibit 2.

Redevelopment of the north end of Nicollet Mall offers an important opportunity to make key, and long lasting additions to downtown Minneapolis. At the same time, the opportunity exists to refine those activities, uses, and spaces that already exist in an area that serves as the nexus of three of the City's major downtown streets and in an area traditionally considered to be "the Gateway to the City." In fact, this site is just a short distance down Hennepin Avenue from the "Bridgehead Site", the site of the first bridge (1856) to span the Mississippi River anywhere along its length.

Therefore, redevelopment at the north end of the Nicollet Mall should not be thought of in isolation of its surroundings; instead, it should be thought of in context with the entire length of Nicollet Mall, the entire downtown extension of Hennepin Avenue, the "Downtown Core", the Hiawatha Light Rail Transit (LRT) line on South 5th Street, and the occasional green spaces that can be found from 3rd Street to the Mississippi River.

Section 5. Statement of Objectives

The Agency and the Council have determined that the establishment of the Development District will provide the City with the ability to achieve certain public purpose goals not otherwise obtainable in the foreseeable future without City involvement in the normal development process. The Agency and the City seek to achieve the following Development District Program Objectives.

- Restore and improve the tax base and tax revenue generating capacity of property within the Development District;
- Increase the number of employers, employees and employment opportunities for Minneapolis residents within the Development District;
- Realize comprehensive planning goals of the City;
- Reduce or eliminate under-utilization of property within the Development District such as surface parking;
- Revitalize property within the Development District to create an attractive, competitive, convenient and efficient area for mixed use, commercial, office, housing and retail uses.
- Increase the economic productivity of the Development District by promoting complementary development of both public and private facilities.
- Coordinate with Hennepin County, the Minnesota Department of Transportation, Metropolitan Council and the Hiawatha Project Office to provide new transit services to and within the Development District including the Hiawatha Line LRT and a supportive and connecting downtown circulation public bus system, the "Downtown Circulator".

- Coordinate with Hennepin County, the Minnesota Department of Transportation, (along with private property owners) to provide an intermodal transit point at South 5th Street and Nicollet Mall which will (a) meet projected travel demand, (b) facilitate easy connections between the Hiawatha LRT line, the Downtown Circulator, downtown sidewalks, green spaces, and the skyway system, and (c) to coordinate with adjacent private development.
- Construct a new “Central Library” that meets the program goals, functional requirements, architectural requirements, and operating goals recommended and approved by the Minneapolis Library Board.
- Promote new downtown green or active public space as part of new developments that improve civic function and enhance the public experience and aesthetic character of the Development District by providing:
 - a) Structured spaces for outdoor entertainment and activities
 - b) Green space for daily use and enjoyment of downtown workers, residents and visitors
- Promote the development of the Nicollet Hotel Block Shuttle/Layover Transit Facility as part of a mixed-use development.
- Promote, as required, additional supportive structured public parking.
- Promote secure practical and attractive bicycle storage.

Section 6. Land Uses and Design Standards

Land uses will be in accordance with existing zoning (see Primary Zoning Districts, Minneapolis Zoning Plate 19, Exhibit 3).

Design Standards as set forth in the Development Objectives for North Nicollet Mall, Exhibit 2, shall be followed as closely as practicable with exceptions allowed only where justified on a case by case basis. For purposes of this Development Program, the North Nicollet Mall Development Objectives (Exhibit 2) should be viewed as the preliminary goals to be used in evaluating development proposals with the intent of promoting creative problem solving and fostering enhancement of the public statement of objectives outlined in this Development Program.

Section 7. Traffic

The Department of Public Works has prepared the *2000 Downtown Transportation Study*, as approved by the City on November 9, 2000. All streets within the District will continue to operate as they do now with regard to traffic carrying characteristics (including dedicated bicycle lanes), width, direction, restrictions on use, and classifications except to the extent the City of Minneapolis Public Works Department adopts variations of existing operations, such as additions of traffic

signals, turn lanes, along with appropriate revisions to include and accommodate bicycles.

Section 8. Public Facilities and Improvements

Below is a detailed list of those public improvements that will be part of the Development Program.

- A 5th Street and Nicollet Mall Intermodal Transit Point to facilitate connections between the Hiawatha LRT Line, the Downtown Circulator, downtown sidewalks, and the skyway system.
- A new Central Library.
- Possible streetscape improvements within the Development District along Nicollet Mall, Hennepin and Washington Avenues.
- Possible Downtown Circulator/Layover Transit Facility on the old Nicollet Hotel Block.
- Possible extension of off-grade pedestrian connections through the Development District to include highly-visible, direct connections between (a) buildings in the Development District and buildings in the Downtown Core and between (b) buildings in the Development District and the sidewalks, outdoor spaces, and transit facilities within the Development District.

Section 9. Environmental Controls and Open Space

It is realized that potential real estate developments as well as certain public improvements in the Development District may be significant in size and nature. All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental standards and regulations.

Section 10. Proposed Reuse of Property

Specific public activities and participation in private real estate development projects will be detailed in approved redevelopment agreements. The Agency or City may be involved in such activities as: real estate acquisition and disposition, business relocation, building demolition, finance and construction of certain public improvements, rezoning, regulatory oversight and vacation of public right of ways. It is recognized that construction of public improvements will occur within the Development District.

No real property within the boundaries of the Development District has been identified for acquisition. Should the Agency determine that its powers

to acquire real property are required, the Agency will seek to amend the Development Program and indicate the real property to be acquired in said amendment.

The Development Program does not contemplate public assisted acquisition of private property until such time as a private developer presents an economically feasible program for the reuse of that property.

Proposals, in order to be considered, must be within the framework of the above cited Statement of Objectives, and must clearly demonstrate financial feasibility as well as meeting the Public Purposes cited herein.

Prior to formal consideration of the acquisition of any property, the Agency will require a binding contract, performance bond and/or other evidence or guarantees that funds will be available to complete a proposed project and satisfy all terms of a redevelopment agreement. It shall be the intent of the Agency to first negotiate for the acquisition of such property, but to also use eminent domain powers if necessary. Appropriate restrictions regarding the reuse and redevelopment of property, consistent with this Development District Program, shall be incorporated into all redevelopment agreements.

Section 11. Administration and Maintenance of Development District

The Council has designated the Agency's Executive Director to serve as "Administrator" of the Agency's programs, including the Development Program for the Development District as authorized pursuant to Minnesota Statutes, Subsection 469.131.

The maintenance and operation of public improvements, other than the Central Library, within the Development District shall be supervised by the Director of Public Works for the City of Minneapolis.

Section 12. Rehabilitation

Whenever possible, owners of properties within the Development District will be encouraged to rehabilitate their properties to conform with applicable state and local codes and ordinances, as well as design standards set out in this Development Program. Owners of properties who purchase property within the Development District from the Agency/City may be required to rehabilitate their properties as a condition of sale of land. The Agency/City may provide such rehabilitation assistance as may be available from federal, state or local sources.

Section 13. Relocation

The Agency/City will provide relocation services and benefits for projects in which they are involved under terms of a redevelopment agreement in accordance with City and federal policies. The Agency/City accept the responsibility for providing relocation pursuant to Section 469.133 of the Development District Act. Relocation

services, to the extent required by law, are available pursuant to Minnesota Statutes, Chapter 117 and other relevant state and federal laws.

Section 14. Boundaries of Development District

- A. Boundaries of the North Nicollet Mall Development District No. 60 are as established on _____(date).

The boundary of the North Nicollet Mall Development District is as follows.

Beginning at the intersection of the southeasterly line of Marquette Avenue and the southwesterly line of 5th Street South.

Thence northwesterly along said southwesterly line of 5th Street South to its intersection with the northwesterly line of 1st Avenue North (intersection with the southeasterly line of the nationally designated Minneapolis Historic Warehouse Historic District).

Thence northeasterly along said southeasterly line of the Minneapolis Warehouse Historic District to its intersection with the northwesterly line of 1st Avenue North.

Thence northeasterly along said northwesterly line 1st Avenue North to its intersection with the northeasterly line of 2nd Street North.

Thence southeasterly along said northeasterly line of 2nd Street north to its intersection with the southeasterly line of Hennepin Avenue.

Thence southwesterly along said southeasterly line of Hennepin Avenue to its intersection with the northeasterly line of Washington Avenue.

Thence southeasterly along said northeasterly line of Washington Avenue to its intersection with the southeasterly line of Nicollet Mall, extended.

Thence southwesterly along said southeasterly line of Nicollet Mall to the northeasterly line of 3rd Street South.

Thence southeasterly along said northeasterly line of 3rd Street South to its intersection with the southeasterly line of Marquette Avenue.

Thence southwesterly along said southeasterly line of Marquette Avenue to the point of beginning.

All in the County of Hennepin, State of Minnesota.

(see the attached Development District Boundary Map, Exhibit 1).

Section 15. Financing Methods

Although undetermined at this time, financing methods to carry out the North Nicollet Mall Development District Program may include: tax increment financing, tax abatement, State and Federal grants, establishment of special assessment districts or a combination. All methods will be considered as a means to finance public improvements that may be constructed and to further the Objectives stated in this Development Program.

